

CASE NAME:	<u>HERITAGE CONSOLIDATED, LLC, et al</u>
CASE NUMBER:	<u>10-36484-HDH-11</u>
UNITED STATES BANKRUPTCY COURT	
NORTHERN	DISTRICT OF TEXAS
<u>DALLAS</u> DIVISION	
FOR POST	CONFIRMATION USE
QUARTERLY OPERATING REPORT	
AND	
QUARTERLY BANK RECONCILEMENT	
In accordance with Title 28, Section 1746, of the United States Code, I declare under penalty of perjury that I have examined the attached Post Confirmation Quarterly Operating Report, and the Post Confirmation Quarterly Bank Reconciliation and, to the best of my knowledge, these documents are true, correct and complete. Declaration of the preparer (other than responsible party), is based on all information of which preparer has any knowledge.	
RESPONSIBLE PARTY:	
Original Signature of Responsible Party	
Printed Name of Responsible Party	<u>JASON R. SEARCY</u>
Title	<u>LIQUIDATING TRUSTEE</u>
Date	<u>10-13-16</u>
PREPARER:	
Original Signature of Preparer	
Printed Name of Preparer	<u>JASON R. SEARCY</u>
Title	<u>LIQUIDATING TRUSTEE</u>
Date	<u>10-13-16</u>

POST CONFIRMATION
QUARTERLY BANK RECONCILEMENT

CASE NAME: *Heritage Consolidated, LLC, et al*

CASE NUMBER: *10-36484-HDH-11*

The reorganized debtor must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposits, governmental obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number.
Attach additional sheets for each bank reconciliation if necessary.

QUARTER ENDING: *September 30, 2016*

Bank Reconciliations	Account #1	Account #2	Account #3	TOTAL
A. Bank	<i>CNB</i>	<i>OPERATING AG H:11</i>	<i>Pat Howell</i>	
B. Account Number	<i>1201431919</i>	<i>1201431927</i>	<i>1201516671</i>	
C. Purpose (Type)	<i>GENERAL</i>	<i>REVENUES</i>	<i>COMPETITIONS</i>	
1. Balance Per Bank Statement	<i>1,693,764.81</i>	<i>760,157.09</i>	<i>212,689.23</i>	<i>2,666,611.13</i>
2. Add: Total Deposits Not Credited				<i>+</i>
3. Subtract: Outstanding Checks		<i>447,432.70</i>		<i>447,432.70</i>
4. Other Reconciling Items				
5. Month End Balance Per Books	<i>1,693,764.81</i>	<i>312,724.39</i>	<i>212,689.23</i>	<i>2,219,178.43</i>
6. Number of Last Check Written	<i>1163</i>	<i>1024</i>		
7. Cash: Currency on Hand				<i>+</i>
8. Total Cash - End Of Month	<i>1,693,764.81</i>	<i>312,724.39</i>	<i>212,689.23</i>	<i>2,219,178.43</i>

CASH IN:
INVESTMENT ACCOUNTS

Bank, Account Name & Number	Date of Purchase	Type of Instrument	Value
			<i>+</i>
13. Total Cash Investments			<i>=</i>

14. TOTAL CASH LINE 8 - PLUS LINE 13 = LINE 14 **** *2,219,178.43* ****

**** Must tie to Line 4, Quarterly Operating Report

POST CONFIRMATION
QUARTERLY BANK RECONCILEMENT

CASE NAME: HERITAGE CONSOLIDATED, LLC et al

CASE NUMBER: 10-36484-HDH-11

The reorganized debtor must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposits, governmental obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number.
Attach additional sheets for each bank reconciliation if necessary.

QUARTER ENDING: September 30, 2016

Bank Reconciliations	Account #1	Account #2	Account #3	TOTAL
A. Bank BANCORP	REMEDIATION ENVIRON	SECTION 6 PLACEMENT		
B. Account Number	1120709439	1120966245		
C. Purpose (Type)	ENVIRONMENTAL			
1. Balance Per Bank Statement	85,272.28	260,000.00		345,272.28
2. Add: Total Deposits Not Credited				+
3. Subtract: Outstanding Checks				-
4. Other Reconciling Items				
5. Month End Balance Per Books	85,272.28	260,000.00		345,272.28
6. Number of Last Check Written				
7. Cash: Currency on Hand				+
8. Total Cash - End Of Month	85,272.28	260,000.00		345,272.28

CASH IN:
INVESTMENT ACCOUNTS

Bank, Account Name & Number	Date of Purchase	Type of Instrument	Value
9.			+
10.			+
11.			+
12.			+
13. Total Cash Investments			=
14. TOTAL CASH	LINE 8 - PLUS LINE 13 = LINE 14 ****		345,272.28

**** Must tie to Line 4. Quarterly Operating Report

POST CONFIRMATION QUARTERLY BANK RECONCILEMENT				
CASE NAME: <i>HERITAGE CONSOLIDATED, LLC, et al</i>				
CASE NUMBER: <i>CONSOLIDATED 10-36484-HDH-11</i>				
<p>The reorganized debtor must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposits, governmental obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number.</p> <p>Attach additional sheets for each bank reconciliation if necessary.</p>				
QUARTER ENDING: <i>September 30, 2016</i>				
Bank Reconciliations	Account #1	Account #2	Account #3	
A. Bank	CNB	NON SECTION 6 GENERAL	NON SECTION 6 SUSPENSE	TOTAL
B. Account Number	1201431935	1201431900		
C. Purpose (Type)	GENERAL	SUSPENSE		
1. Balance Per Bank Statement				
2. Add: Total Deposits Not Credited				+
3. Subtract: Outstanding Checks				-
4. Other Reconciling Items				
5. Month End Balance Per Books				=
6. Number of Last Check Written				
7. Cash: Currency on Hand				+
8. Total Cash - End Of Month				=
CASH IN INVESTMENT ACCOUNTS				
Bank, Account Name & Number	Date of Purchase	Type of Instrument	Value	
9.			+	
10.			+	
11.			+	
12.			+	
13. Total Cash Investments			=	
14. TOTAL CASH	LINE 8 - PLUS LINE 13 = LINE 14 ****		****	
**** Must tie to Line 4, Quarterly Operating Report				

POST CONFIRMATION
QUARTERLY OPERATING REPORT

CASE NAME: HERITAGE CONSOLIDATED, LLC, et al

CASE NUMBER: 10-36484-HDH-11

QUARTER ENDING: September 30, 2016

1. BEGINNING OF QUARTER CASH BALANCE:	4,485,826.18
CASH RECEIPTS:	
CASH RECEIPTS DURING CURRENT QUARTER:	
(a). Cash receipts from business operations	SEE ATTACHED EX + 136,808.64
(b). Cash receipts from loan proceeds	+ .
(c). Cash receipts from contributed capital	+ .
(d). Cash receipts from tax refunds	+ .
(e). Cash receipts from other sources	+ . 412.26
2. TOTAL CASH RECEIPTS	= 137,220.90
CASH DISBURSEMENTS:	
(A). PAYMENTS MADE UNDER THE PLAN:	
(1). Administrative	+ .
(2). Secured Creditors	SEE ATTACHED EX + 2,013,451.28
(3). Priority Creditors	+ .
(4). Unsecured Creditors	+ .
(5). Additional Plan Payments	+ .
(B). OTHER PAYMENTS MADE THIS QUARTER:	
(1). General Business	+ .
(2). Other Disbursements	EX + 45,145.09
3. TOTAL DISBURSEMENTS THIS QUARTER	= 2,058,596.37
4. CASH BALANCE END OF QUARTER	= 2,564,450.71

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Accrual Basis

Heritage Consolidated, LLC
Profit & Loss Detail
July through September 2016

	Type	Date	Num	Name	Memo	Cir	Split	Amount	Balance
Ordinary Income/Expense									
Income									
Oil and Gas Revenues									
Deposit		07/11/2016	1748	Traton Engineering ...	Deposit	A.P. Hill Proce...		552.12	552.12
Deposit		07/11/2016	1749	Traton Engineering ...	Deposit	A.P. Hill Proce...		3,899.46	4,451.58
Deposit		07/11/2016	1750	Traton Engineering ...	Deposit	A.P. Hill Proce...		5,831.91	10,283.49
Deposit		07/11/2016	1751	Traton Engineering ...	Deposit	A.P. Hill Proce...		5,831.91	16,115.40
Deposit		07/11/2016	1752	Traton Engineering ...	Deposit	A.P. Hill Proce...		5,831.91	21,947.31
Deposit		07/11/2016	1757	Traton Engineering ...	Deposit	A.P. Hill Proce...		20,428.95	42,376.26
Deposit		07/11/2016	1759	Traton Engineering ...	Deposit	A.P. Hill Proce...		552.12	42,928.38
Deposit		08/05/2016	1772	Traton Operating Co...	Deposit	A.P. Hill Proce...		605.24	43,533.62
Deposit		08/05/2016	1773	Traton Operating Co...	Deposit	A.P. Hill Proce...		4,274.52	47,808.14
Deposit		08/05/2016	1774	Traton Operating Co...	Deposit	A.P. Hill Proce...		6,392.86	54,201.00
Deposit		08/05/2016	1775	Traton Operating Co...	Deposit	A.P. Hill Proce...		6,392.86	60,593.86
Deposit		08/05/2016	1776	Traton Operating Co...	Deposit	A.P. Hill Proce...		6,392.86	66,986.72
Deposit		08/05/2016	1781	Traton Operating Co...	Deposit	A.P. Hill Proce...		22,393.91	89,380.63
Deposit		08/05/2016	1783	Traton Operating Co...	Deposit	A.P. Hill Proce...		605.24	89,985.87
Deposit		09/09/2016	1796	Traton Operating Co...	Deposit	A.P. Hill Proce...		602.22	90,588.09
Deposit		09/09/2016	1797	Traton Operating Co...	Deposit	A.P. Hill Proce...		4,253.19	94,841.28
Deposit		09/09/2016	1798	Traton Operating Co...	Deposit	A.P. Hill Proce...		6,360.97	101,202.25
Deposit		09/09/2016	1799	Traton Operating Co...	Deposit	A.P. Hill Proce...		6,360.97	107,563.22
Deposit		09/09/2016	1800	Traton Operating Co...	Deposit	A.P. Hill Proce...		6,360.97	113,924.19
Deposit		09/09/2016	1805	Traton Operating Co...	Deposit	A.P. Hill Proce...		22,282.23	136,206.42
Deposit		09/09/2016	1807	Traton Operating Co...	Deposit	A.P. Hill Proce...		602.22	136,808.64
Total Oil and Gas Revenues								136,808.64	136,808.64
Total Income								136,808.64	136,808.64
Expense									
Claim Distributions									
3A. Secured Clms Allowed									
Check		08/04/2016	1005	Aquila Sedco Drillin...	Order dated 7...	A.P. Hill Proce...		1,053,513.03	1,053,513.03
Check		08/04/2016	1006	Baker Hughes Oilfiel...	Order dated 7...	A.P. Hill Proce...		36,647.49	1,090,160.52
Check		08/04/2016	1007	BJ Services Compa...	Order dated 7...	A.P. Hill Proce...		22,506.11	1,112,666.63
Check		08/04/2016	1008	Pathfinder Energy S...	Order dated 7...	A.P. Hill Proce...		224,684.21	1,337,350.84
Check		08/04/2016	1009	Smith International, ...	Order dated 7...	A.P. Hill Proce...		44,461.76	1,381,812.60
Check		08/04/2016	1010	M-I, LLC, db/a Swaco	Order dated 7...	A.P. Hill Proce...		145,449.45	1,527,262.05
Check		08/04/2016	1011	Ken-Vac Corporation	Order dated 7...	A.P. Hill Proce...		22,184.16	1,549,446.21
Check		08/04/2016	1012	McGuire Industries, ...	Order dated 7...	A.P. Hill Proce...		12,768.16	1,562,214.37
Check		08/04/2016	1013	ITS Rental and Sale...	Order dated 7...	A.P. Hill Proce...		45,515.61	1,607,729.98
Check		08/04/2016	1014	Weatherford US, LP	Order dated 7...	A.P. Hill Proce...		232,111.81	1,839,841.79
Check		08/04/2016	1015	Nova Mud, Inc.	Order dated 7...	A.P. Hill Proce...		11,868.41	1,851,710.20
Check		08/04/2016	1016	Sierra Engineering	Order dated 7...	A.P. Hill Proce...		11,000.78	1,862,710.98
Check		08/04/2016	1017	Endeavor Energy R...	Order dated 7...	A.P. Hill Proce...		60,709.62	1,923,420.60
Check		08/04/2016	1018	Simons Petroleum, I...	Order dated 7...	A.P. Hill Proce...		27,794.78	1,951,215.38
Check		08/04/2016	1019	O-D Rentals, Inc.	Order dated 7...	A.P. Hill Proce...		1,968,463.51	1,985,703.22
Check		08/04/2016	1020	Aries Well Service, I...	Order dated 7...	A.P. Hill Proce...		17,239.71	1,988,866.65
Check		08/04/2016	1021	Archer Wipline, LL...	Order dated 7...	A.P. Hill Proce...		3,163.43	

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Accrual Basis

**Heritage Consolidated, LLC
 Profit & Loss Detail
 July through September 2016**

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Check	08/04/2016	1022	Suttles Logging, Inc.	Order dated 7...	A.P. Hill Proce...		9,492.96	1,998,359.61
Check	08/04/2016	1023	Nave Oil and Gas, L...	Order dated 7...	A.P. Hill Proce...		15,091.67	2,013,451.28
							2,013,451.28	2,013,451.28
Total 3A Secured Cllms Allowed								
Total Claim Distributions								
IRS Taxes & Penalties								
Check	08/22/2016	1162	Internal Revenue Se...	75-2916310 F...	Operating CNB		1,103.03	1,103.03
Total IRS Taxes & Penalties								
Professional Fees								
Engineering and Technical Srvcs								
Check	08/04/2016	1004	Traton Engineering ...	Inv. 13694,13...	A.P. Hill Proce...		6,330.43	6,330.43
Check	08/04/2016	1031	Traton Engineering ...	Inv 13644	Pat Howell Co...		1,337.13	7,667.56
Check	08/04/2016	1034	Traton Engineering ...	Inv 13698, 13...	Environmental ...		582.66	8,250.22
Check	09/29/2016	1024	Traton Engineering ...	Inv 13733	A.P. Hill Proce...		5,042.50	13,292.72
Total Engineering and Technical Srvcs							13,292.72	13,292.72
Legal Fees								
Check	07/19/2016	1160	Searcy & Searcy, P.C.	Inv 12962	Operating CNB		14,367.14	14,367.14
Check	09/13/2016	1163	Searcy & Searcy, P.C.	Inv 13119	Operating CNB		16,057.20	30,424.34
Total Legal Fees							30,424.34	30,424.34
Total Professional Fees							43,717.06	43,717.06
UST Quarterly Fees								
Check	07/19/2016	1161	U.S. Trustee	2nd Qtr. 2016	Operating CNB		325.00	325.00
Total UST Quarterly Fees							325.00	325.00
Total Expense							2,058,596.37	2,058,596.37
Net Ordinary Income							-1,921,787.73	-1,921,787.73
Other Income/Expense								
Other Income								
Interest Income								
Deposit	07/31/2016		A.P. Hill Proce...				188.83	188.83
Deposit	07/31/2016		Pat Howell Co...				18.12	206.95
Deposit	08/31/2016		Pat Howell Co...				18.04	224.99
Deposit	08/31/2016		A.P. Hill Proce...				107.49	332.48

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Accrual Basis

**Heritage Consolidated, LLC
Profit & Loss Detail
July through September 2016**

Type	Date	Num	Name	Memo	C/r	Split	Amount	Balance
Deposit	09/30/2016			Interest			17.43	349.91
Deposit	09/30/2016			Interest			62.35	412.26
Total Interest Income							412.26	412.26
Total Other Income							412.26	412.26
Net Other Income							412.26	412.26
Net Income							-1,921,375.47	-1,921,375.47